

TAB

CATEGORY II - JOINT ACTION COMPLETED OR IN PROCESS

1. RECOMMENDATION (Page 12 and 13, Para. III B.5.b(1), (2) & (3))(Cross Reference: Page 5, Para. III. a,b, & c); (1) The DCI establish an Agency Logistical Planning Board under the chairmanship of the DD/S, composed of senior representation from the Clandestine Services, Training, Personnel, Communications, Medical, Security, the Comptroller, and Logistics, with the mission of marshalling all the appropriate administrative offices to prepare logistical plans for support of operations. (The initial efforts of the Board should be directed to the preparation of those directives needed to feed operational plans into the logistical planning mechanism on a secure and timely basis.) (2) The present Chief, Planning Staff, Logistics Office be reassigned as Special Assistant (Planning) to the DD/S to serve as Secretary of the Board, and such positions and individuals as the DD/S considers necessary be transferred from the Planning Staff of the Office of Logistics to constitute a Secretariat for the Board. (3) As soon as this Board is organized, the Support Committee of the Clandestine Services Planning Board be abolished.

STATUS: Action Completed: The principle underlying this recommendation has been implemented by the appointment of a Special Planning Assistant to the Deputy Director (Support) reflected in Agency Notice No. 20-190-65, dated 26 April 1955.

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STATUS: Action in Process: This recommendation was forwarded to the Office of General Counsel on 6 June 1955. This is a long range objective and cannot be accomplished in a short period of time.

3. RECOMMENDATION (Page 15, Para. III C.2.d(1)) (Cross Reference: Page 6, Para. II 6) The Chief of Logistics and DD/P develop and implement procedures for ensuring that "procurement authority, when

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delegated by the Chief of Logistics to the designated official responsible for the conduct of approved Agency projects is exercised in accordance with..applicable Agency regulations unless an approved administrative plan stipulates otherwise." (See Regulation 45-510, paragraph 3c(4))

STATUS: Action in Process: This recommendation was forwarded to the Deputy Director (Plans) on 16 June 1955. The Office of Logistics will continue to follow up on this item so that a control is established to insure that delegations of procurement authority are exercised in accordance with existing regulations.

4. RECOMMENDATION (Page 16, Para. III C.2.d(2)) (Cross Reference: Page 6, Para. II 6) The DD/S arrange for the Logistics Office to be represented at all meetings of the Project Administrative Planning Staff on projects having logistical implications and to review formally such projects submitted to the PRC.

STATUS: Action Completed: Procedure has been established whereby the Office of Logistics is represented at all meetings of the Project Administrative Planning Staff on projects having logistical implications. A review is made to determine these implications on all projects presented to PRC.

5. RECOMMENDATION (Page 16, Para. III C.2.d.(3)) (Cross Reference: Page 6, Para. II 6) An appropriate report on field procurement be designed by the Chief of Logistics and implemented by the DD/P for those overseas stations selected by the Chief of Logistics as having a significant volume of offshore procurement.

STATUS: Action In Process: A proposed revision to FR 45-500 has been initiated as indicated under Item I-60. Revision will require field stations to periodically report to headquarters all procurement actions for items costing in excess of \$100. A review of procurements accomplished on items costing less than \$100 has revealed a headquarters review would not warrant the time expended. Items of this nature are subject to periodic station audits by the Auditor's Staff and any infractions of existing regulations and procedures would be revealed at that time.

6. RECOMMENDATION (Page 16, Para. III C.2.d(4))(Cross Reference: Page 6, Para. II 6) The DD/S, DD/I, and DD/P require domestic and overseas units to submit to the Logistics Office either monthly reports or copies of purchase orders of their procurement from other Government Agencies, in order that the Chief of Logistics may fulfill his responsibility of "maintaining control of all (interdepartmental) procurement.. in a manner which will provide adequate security, control and recording, of classified procurement."

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STATUS: Action in Process: Comments reflected under I-60 and II-6 apply equally to this recommendation.

7. RECOMMENDATION (Page 22 and 23, Para. III C.5.a) The Industrial Contract Audit Branch (ICAB), Office of the Comptroller, is responsible for administrative audit (as distinguished from post audit by the Audit Office) of procurement contracts with private organizations. The Inspector General's Office survey of the Office of the Comptroller stated that "there is need for clarification of the responsibilities of the Comptroller and the Logistics Office with respect to review and audit of procurement contracts." In late Oct., a memorandum of understanding was negotiated between the Office of the Comptroller and the Logistics Office concerning their respective responsibilities and authorities for procurement contracts. While this memorandum may clarify some responsibilities, it fails to settle basic issues. Over the past two to three years controversy has developed between the Industrial Contract Audit Branch in the Office of Comptroller and Procurement Division, Logistics Office, over the audit of procurement contracts. There has been a time-consuming exchange of memoranda in each particular case instead of face-to-face discussion and decision. It is recommended that this situation be settled immediately by the DD/S.

STATUS: Action in Process: The Procurement Division and the representatives of the Comptroller have had many discussions during the past several months in an effort to find satisfactory solutions for their common problems. The memorandum of understanding written in October 1954 served as a basis for development of improved audit support in connection with the Agency contracts. As a result of these discussions the following accomplishments have been achieved or are in the process of achievement: (i) The Office of the Comptroller has agreed to use the Department of Defense overhead rates, and arrangements have been made by the Office of Logistics to obtain these rates and supporting documents from the Departments of the Army, Navy, and Air Force; (ii) The Procurement Division and representatives of the Comptroller and the Office of Security have agreed to the use of Department of Defense resident or cognizant auditors wherever they are available. Two meetings have been held with the Department of Defense on this subject and the Department of Defense has informally agreed to make the audit facilities of the Army, Navy and Air Force available to CIA. It is expected that a final agreement will have been negotiated and executed by the end of July; and (iii) The Office of the Comptroller has agreed to the utilization of cleared CPA firms for use in auditing Government sterile contracts.

It is expected that the three accomplishments listed above will lead to the solution of most, if not all, of the past problems between the Office of the Comptroller and the Office of Logistics.

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9. RECOMMENDATION (Page 24, Para. III C.5.c) (Cross Reference: Page 6, Para. II 10) Both the Procurement Division and contractors have complained that the Industrial Contract Audit Branch's audits are unnecessarily stringent and time-consuming. Also, there is evidence that the Branch is auditing fixed price contracts subject to price redetermination as stringently as cost plus fixed fee contracts, whereas the Board of Contract Appeals of the Department of Defense has ruled that the detailed audit prescribed by Armed Services Procurement Regulations for cost plus fixed fee contracts is neither desirable nor appropriate for price redetermination contracts. In order to obtain objective and technically competent investigations of these allegations, it is recommended that the DD/S arrange for a senior procurement auditor from the Department of Defense to determine whether the Branch is imposing unreasonable audit and accounting requirements upon contractors.

STATUS: Action in Process: As indicated in Para. II-7 above, the problems between the Offices of Logistics and the Comptroller have been substantially solved. The fact that resident Department of Defense auditors will be used, will lead to uniform audit and contract practices between the Agency and Agency contractors. In addition, the Office of the Comptroller has under consideration for employment, a senior Department of Defense auditor who, it is intended, will occupy the position of Chief, ICAB. All of these actions, together, will provide the solutions to the problems with which the above recommendation was concerned.

10. RECOMMENDATION (Page 24, Para. III C.5.d) As long as the Industrial Contract Audit Branch follows its present practices, it will continue to be understaffed and will not be able to keep abreast of the workload. However, the use of commercial methods and auditors for auditing government sterile task and research orders should reduce the workload. In addition, the investigation recommended in the preceding paragraph may result in further reduction in workload. It is recommended that, upon completion of that investigation, the Comptroller reassess the adequacy of the personnel strength of the Branch.

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STATUS: Action in Process: The implementation of this recommendation is contingent upon completion of actions indicated under Para. II-7 and II-9.

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11. RECOMMENDATION (Page 24, Para. III C.5.e) (Cross Reference: Page 6, Para. II 9) Recently a member of the Industrial Contract Audit Branch, while visiting [REDACTED], showed his CIA credentials to an unwitting employee of the contractor who is operating the facility. Investigation by the Inspector General's Staff revealed that arrangements do not exist whereby members of the Branch are required to obtain a security briefing before visiting a contractor's place of business. It is recommended that the Chief of Logistics and the Comptroller establish the necessary arrangements.

STATUS: Action Completed: Effective 1 June 1955, a revised procedure was initiated whereby members of the Industrial Contract Audit Branch are given a security briefing by the Security Staff of the Office of Logistics prior to visiting Station I or other contractor's facilities.

12. RECOMMENDATION (Page 27, Para. III D.1.b(3)) (Cross Reference: Page 6, Para. II 12) That in view of the extensive service test and working level coordination, Field Handbooks 45-450-1 and 45-450-2 should be approved by the DD/S and published without further coordination.

STATUS: Action in Process: Detached Station Supply Procedure Handbook, FHB 45-450-2 is now being printed and should be available for distribution to the field by the end of this month. Field Supply Procedures Handbook (for Accountable Stations) FHB 45-450-1, was forwarded on 22 June 1955 to the Deputy Director (Plans) for authentication.

13. RECOMMENDATION (Page 27, Para. III D.1.b(3) - Note) (Cross Reference: Page 6, Para. II 13) That the DD/S develop a method of processing proposed Logistics Regulations which will materially reduce the excessive time now required, and specifically will eliminate the necessity for coordinating such regulations with each of the eight Divisions and five Senior Staffs of the DD/P area.

STATUS: Action Completed: Procedure has been implemented whereby working level coordination with DD/P elements on proposed Logistics regulations is assigned to the SSA/DD/S. Formal coordination of Agency regulations with the Deputy Director (Plans) is a responsibility of the Regulations Control Staff.

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14. RECOMMENDATION (Page 29, and 30, Para. III D.2.d) In the Department of Defense it is the usual practice for supply and procurement organizations--and not the using organizations--to budget for all supplies and equipment required by the using components. Assignment to the Logistics Office of responsibility to budget for all supplies and equipment would increase the effectiveness of the Agency's supply system in the long run; and it is fallacious to argue that such an assignment cannot be made because of the requirements of performance budgeting. However, the Office should not be given this responsibility until the deficiencies noted in this survey are corrected.

STATUS: Action in Process: A letter was submitted on 8 April 1955 to the Deputy Director (Plans) and the Comptroller asking for comments on this recommendation. Reply dated 13 June 1955 from SSA/DD/S for the DD/P area concurred in the Inspector General's recommendation that performance type budgeting did not preclude the assignment to the Office of Logistics of the responsibility to budget for all Agency supplies and equipment. However, the SSA/DD/S indicated that the present system, which provides for all Agency components to budget for their 08 and 09 needs, is the "most advantageous method for this Agency". Improvements in the control of funds for 08 and 09 are being instituted in all DD/P area divisions effective 1 July 1955 (FY 1956), and the present budget responsibilities remain unchanged in DD/P notwithstanding the Inspector General's recommendation. Comments have not been received from the Comptroller on this recommendation.

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15. RECOMMENDATION (Page 30, Para. III D.2.f) That the Senior Representative, [REDACTED], conduct a thorough inspection of the security of the [REDACTED] warehouse and take corrective action.

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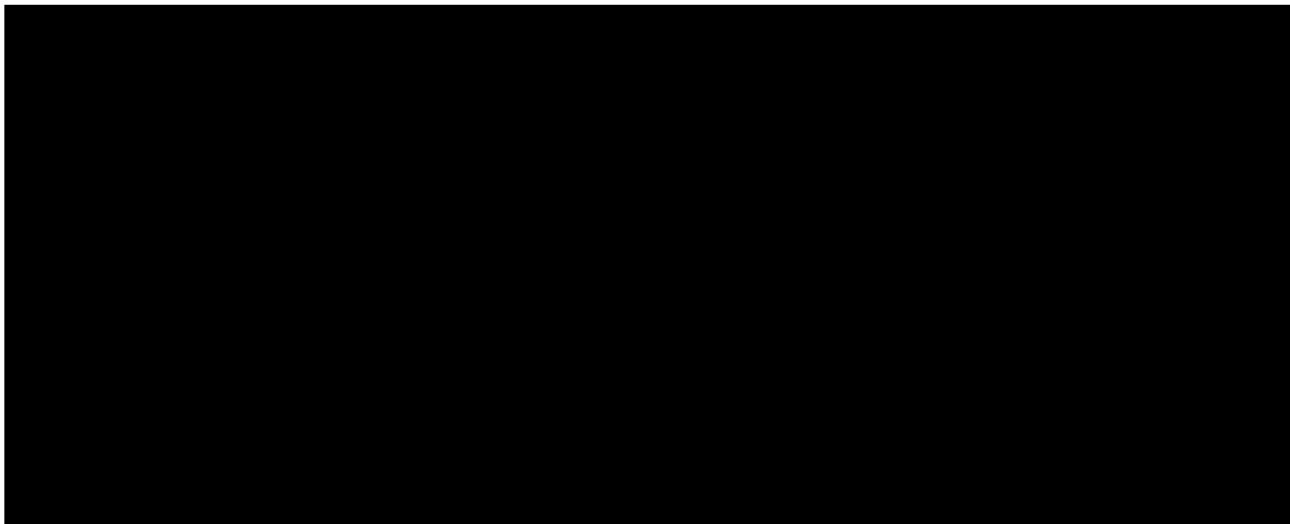
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STATUS: Action Completed: The February report made by the Inspector General on the [REDACTED] has been received in the EE Division. The EE Division Log Officer is taking action on applicable portions. This report indicates a general improvement of the conditions reflected by the above recommendation. Further action at this time can be more appropriately handled within the EE Division. Constant liaison is being maintained with EE Division Log Officer and any assistance needed will be promptly rendered.

16. RECOMMENDATION (Page 31, Para. III E.4) (Cross Reference: Page 6, Para. II 16) That the DCI authorize the Director of Logistics direct cable and dispatch communication with the field (properly coordinated with DD/P Divisions) on logistical matters not primarily operational in nature.

STATUS: Action in Process: A study has been completed in the Office of Logistics to support the above recommendation. Decision to grant this authority has not been made at this time.

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STATUS: Action in Process: The comments of the Inspector General were forwarded to the General Counsel on 7 April 1955 for information, evaluation, and reply. The General Counsel's reply was received on 28 June 1955. It is anticipated that final action will be taken by the Transportation Division by the end of July 1955, after complete evaluation has been made of the information furnished by the General Counsel.

25X1A 18. RECOMMENDATION (Page 34, Para. III F.3.b) (Cross Reference: Page 7, Para. II 22) The responsibility for Headquarters mail and courier service and the positions involved be reassigned from the Office of Logistics to the Office of Collection and Dissemination.

STATUS: Action Completed - Recommendation not implemented: The \* DD/I informed the Director of Logistics in a memorandum dated 26 April 1955 that since OCD "is responsible for the receipt and dissemination of only positive foreign intelligence information and intelligence, it does not appear appropriate that it should be charged with the administration of all headquarters mail and courier service". The DD/I believes that the mail and courier service should continue to be administered by a central support function of the DD/S. Under the circumstances, this responsibility will continue to be administered by the Office of Logistics.

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19. RECOMMENDATION (Page 42, Para. IV B.3.c) When the Branch (Mail and Courier Branch) is transferred to OCD (as recommended in paragraph III F) that Office should examine the justification for these separate courier facilities with a view to combining their activities with those of this otherwise centralized service.

STATUS: Action Completed - Recommendation not implemented: Since \* the implementation of this recommendation is contingent upon recommendation covered by Item 18, no action will be taken.

20. RECOMMENDATION (Page 48, Para. IV C.3.d) That the DD/S should authorize such additional personnel as the Chief, Procurement Division can justify to facilitate adequate contract inspection.

STATUS: Action in Process: The Office of Logistics has been collaborating with the Management Staff in developing a study to reflect need for additional personnel in the Procurement Division. It is anticipated that a completed study will be presented for appropriate approval within the next month.

21. RECOMMENDATION (Page 54, Para. IV D.3.c) The Chief of the Inventory, Disposal and Special Accounts Section is the Accountable Officer for non-expendable property at those field stations for which Headquarters has retained property accountability. However, there is no mechanism to ensure that he is automatically informed of the addition or elimination of stations for which he is accountable. It is recommended that the DD/P, the Comptroller and the Director of Logistics jointly develop such a method.

STATUS: Action Completed: A procedure has been jointly developed between the Office of Logistics and the Office of the Comptroller that will facilitate prompt notification to the Office of Logistics of information reflecting the accountability status of all stations. A new format has been adopted for the publication issued by the Comptroller that will reflect whether the station is accountable, detached, or satellited and whether it is a Class A or Class B finance installation. Through the medium of this publication with appropriate subsequent changes, the Chief, Inventory, Disposal and Special Accounts Section will be kept advised of the accountability status of all stations.

22. RECOMMENDATION (Page 55, Para. IV D.3.e) It is recommended that the DD/S authorize two additional positions -- one professional and one typist -- for the Special Accounts Section.

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STATUS: Action in Process: A workload analysis is in process in order to justify a request for these two positions. However, this study has been extended to include all of the activities of this section. The final outcome of the study is contingent upon the organizational position of certain Board of Survey functions, currently assigned to this Section. In this regard, a request to establish a Headquarters Board of Survey secretariat consisting of one GS-12 Logistics Officer and one GS-5 Clerk-Steno under the supervision of the Chairman of the Board, the Deputy Director of Logistics, has been forwarded to the Management Staff. If approved, this secretariat will assume the Board of Survey functions currently assigned to the Inventory, Disposal and Special Accounts Section, and the need for establishing the two additional positions as recommended will be re-examined.

23. RECOMMENDATION (Page 64, Para. IV E.4.a) That the Chief of the Passenger Movement Branch exercise more active technical supervision in the form of periodic audit of the activities of Central Processing Branch.

STATUS: Action Completed. Every effort is being made to exercise supervision of the transportation activities of the Central Processing Branch on a continuing basis.

24. RECOMMENDATION (Page 71, Para. IV F.2.f) That this Division (RE&C Div), working with General Counsel, attempt to obtain authority to provide funds for meeting the travel expenses of dependents of Division employees on long tours of temporary duty overseas.

STATUS: Action Completed. Recommendation not implemented. It \* was established at the DD/S Staff Meeting on 2 March 1955 that travel of dependents of employees on TDY should not be at the expense of the Agency. Based on this position, no further action will be initiated by the Office of Logistics.

25. RECOMMENDATION (Page 71, Para. IV F.2.g) That the DD/P and the DD/S take necessary steps to ensure that RE&CD is fully informed as to the pertinent facts respecting all Agency holdings, whether foreign or domestic, operational, proprietary, or subsidy.

STATUS: Action in Process. This recommendation was forwarded by letter to the Chief, Commercial Division. Subject is under consideration by the Commercial Division.

26. RECOMMENDATION (Page 72, Para. IV F.4.e) That the DD/P enforce current instructions which require prompt notification of changes in the status of employees.

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STATUS: Action Completed: This recommendation was forwarded by letter to the Deputy Director (Plans). Reiteration of existing instruction was disseminated by DD/P Notice 40-310-11 dated 24 May 1955.

27. RECOMMENDATION (Page 74, Para. IV G.2.b (3)) That the Agency's Printing Advisor, in cooperation with Staff CI/DDP, inventory all TSS and other DD/P operational printing and reproduction facilities and programs with a view to their centralization under Printing and Reproduction Division direction.

STATUS: Action in Process: Meetings have been held by representatives of TSS and the Office of Logistics for full discussion of problems involved and development of lines of responsibility. A detailed study of European field printing facilities and problems is being made at this time on a field trip by representatives of the Office of Logistics. A similar study on Far Eastern facilities and problems is now being completed. It is anticipated that these studies will further clarify TSS and Office of Logistics responsibility for field printing. Regulations on field printing will be developed on the basis of these findings.

28. RECOMMENDATION (Page 75, Para. IV G.3.b) If the DD/P and the DD/S establish senior officers responsible for coordinating the printing and reproduction programs of their various subordinate offices, these two Deputies and the DD/I might find it useful to have their officers charged with printing and reproduction problems constituted as an Agency Printing Advisory Committee with representation from Training, Communication, and Personnel. The principal task of such a committee would be to assist the Printing and Reproduction Division in understanding and undertaking the various consumer requirements which give the Division its work.

STATUS: Action in Process: This recommendation will be placed into effect as soon as DD/P printing officers are designated. Action has been initiated but not completed by DD/P as shown under Item I-68.

29. RECOMMENDATION (Page 76, Para. IV G.3.e) That OCD's responsibility to control and manage the distribution phase of the intelligence process be reaffirmed and that no distribution be made by the Printing and Reproduction Division unless it is demonstrated to the Division by OCD that time and distance factors absolutely require.

STATUS: Action Completed: Agreement between OCD and Printing Services Division regarding initial distribution has been reached and is now in effect. Under this agreement Printing Services Division is making some additional distribution; OCD will continue to handle all supplemental distribution as well as the initial distribution agreed upon.

30. RECOMMENDATION (Page 75, Para. IV G.3.a) The six DD/S Offices should be similarly coordinated, preferably by the Agency's Printing Advisor serving as a Special Assistant to the DD/S.

STATUS: Action Completed: DD/S Notice No. 20-190-1, dated 10 May 1955, appointed a representative of the Management Staff to serve as DD/S Printing Officer.

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